

FISCAL IMPACT STATEMENT ON BILL NO. **S.412**

(Doc. No. jud0056.gfm.doc)

TO: The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: Kenneth Brown, Beth Campbell, Allen Kincaid
DATE: March 26, 2007 SBD: 207138

AUTHOR: Senator McConnell PRIMARY CODE CITE: 1-30-10
SUBJECT: South Carolina Insurance Accountability, Reorganization, and Relief Act of 2007

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

The Bill creates the South Carolina Hurricane Underwriting Association Act, renames the South Carolina Wind and Hail Underwriting Association the South Carolina Hurricane Association and revises the organization, governance, duties, functions and procedures of the Association, provides for the South Carolina Catastrophe Modeling Act and establishes the South Carolina Hurricane Damage Mitigation program within the Department of Insurance.

EXPLANATION OF IMPACT:

Administrative Law Court

The Court would be responsible for hearing all contested cases in accordance with the provisions of Chapter 23 of Title 1 of the South Carolina Code of Laws. The impact on agency expenditures will depend on the volume of cases pursuant to enactment. Costs may be more than the agency can absorb within existing resources depending on the number of cases to be heard.

State Budget and Control Board

The Board reports that there will be no impact on the General Fund of the State or on Federal and/or other funds. Section 38-73-1141(G) of the Bill provides that cost incurred by the Board related to the administration of the South Carolina Commission on Hurricane Loss Projection Methodology will be reimbursed by the South Carolina Hurricane Association.

Department of Insurance

The Department reports that there could be costs to the General Fund of the State associated with the enforcement of this legislation related to reviewing rate filings, but are undeterminable at this time.

Secretary of State's Office

The Office reports this Bill will have no impact on the General Fund of the State or on Federal and/or Other Funds.

Approved by:



Harry Bell
Assistant Director, Office of State Budget